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CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE RATES

Credit Involuntary Unemployment Insurance MGL c.175, s.117D

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I. Procedures For Determining Maximum Premium Rates

The following are the procedures for determining the maximum premium rates permitted to be charged any account:

- _____ 1. The premium rates charged for credit involuntary unemployment insurance policies shall be reasonable in relation to the benefits provided as indicated by a minimum annual loss ratio of 60 per cent.
- _____ 2. All credit involuntary unemployment insurance premium rates and applicable policies in connection therewith shall be filed for approval with the commissioner of insurance.
- _____ 3. The commissioner shall approve such rates and policies if such rates are reasonable in relation to benefits provided.
- _____ 4. Each insurer writing said involuntary unemployment insurance shall file with the commissioner of insurance annually supporting rate documentation as specified by the commissioner.
5. After submission of such experience, the commissioner of insurance may review said insurance claims experience and loss ratio data from said credit insurance supplement forms and determine whether the rates in effect comply with the standards set forth above.
6. If the commissioner determines the rates generating such loss ratios do not comply with the standards set forth above, the commissioner may require any insurer to file rates that will meet such standards or submit reasons acceptable to the commissioner why it should not be required to do so.

This method to determine premium rates with respect to credit involuntary unemployment insurance is required only for policies or insurance written in connection with consumer credit transactions which are subject to MGL c. 255, s. 12G (credit life and health insurance), MGL 255B, s. 10 (retail installment sales), MGL c. 255C, s. 14A (insurance premium finance agencies) or MGL c. 255D, s. 26, subsection C (group credit and health insurance rates) for which an identifiable charge is paid by insured persons.

II. Methodology, Actuarial Support, and Justification of the Filing:

In reference to the above, examples of experience or judgment may be: three-year expense exhibits, five year premium/loss history exhibits, judgment rates, A-Rates, Competitors' rates, countrywide experience, or other experience. Please indicate the type of information you are submitting by placing a checkmark next to the designated information for the filing.

☐ Five-Year Premium/Loss Experience Exhibit

☐ Three-Year Expense Exhibit

☐ Judgment Rates

☐ A-Rates

☐ Competitors' Rates, please indicate the competitor names of the cited data used in determining the rates in the spaced below:

_____, _____, _____, _____

☐ Countrywide Experience (Please indicate the specific form of countrywide data utilized in for the proposed rates in this filing).

☐ Other experience or data (Please indicate the specific data and criteria used).

Please note that the introduction of a new product to the market does not preclude the requirements for the filer to provide the above referenced exhibits and justification. In these instances, filers use either countrywide experience, competitor's data, rating bureau material, or other sources. In rare occasions where the product being introduced is unique and no such information is not available, then a waiver may be considered. In most cases, filings that do not contain the appropriate justification may be subject to rejection or disapproval. If there is no applicable data or no citation or adoption of competitors' or countrywide data, please state so and check the provision below.

☐ We hereby certify that the proposed rates for this program were calculated using judgment and actuarial projections. Due to the nature of this program, premium/loss experience and expense history is unavailable at this time. As data becomes available, we will submit future rate revisions indicating our use of the newly acquired data.

Unfair and Deceptive Trade Practices:

_____ Any filing not in compliance with the above referenced requirements may be deemed to be in violation of the provisions of Chapter 176D of the Massachusetts General Laws. We hereby certify that the provisions set forth in this filing do not entail any intentional unfair and deceptive trade practices. Furthermore, we understand that we are subject to the penalties associated with practices that are in clear violation of this statute.

Required Abstract Forms:

<insert hyperlink to required forms>